

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY East Germany

REPORT

SUBJECT Schwarze Pumpe Combine: Personnel, Investments, Financial Situation

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report concerning the Schwarze Pumpe Combine in East Germany, as of mid-January 1959. The document includes additional information on the following subjects:

1. Personnel and Working Conditions:

- a. The manager in January 1959 was Dipl. Ing. Willi Kuehn, former Director of Planning of the now-defunct Ministry of Coal and Power. Construction director was Heinz Reger.
- b. The manpower situation was critical in 1959 it is planned to increase the number of prison workers from 1,500 to 3,000-4,000. Some of these prisoners will be transported from the prison at Cottbus, 30 km away.
- c. There was a general lack of coordination among various VEBs working on the construction projects at Schwarze Pumpe. In July 1958, a central construction organization was set up to coordinate the work, but as of the third quarter of 1958, this had not been very successful.

2. Financial Situation and Installation of Turbines:

- a. Up to and including 1961, 2.5 billion DME is required; this sum does not include costs of surface mining. In 1956-1958, 700 million DME were to have been invested. From the yearly planned amount for 1958 of 380 million DME, about 350 million was spent. The 1959 planned amount is 400 million DME.
- b. Turbine assemblage has been delayed by the availability of foreign currency. The contract had been negotiated

The State Planning Commission did not free the funds until December 1958, about four or five months late. As a result, the first turbine is to be mounted

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in April or May 1959. There are to be four turbines in all, three 25 MW and one 50 MW. The installation work is to continue through 1960. In 1961-1962, the Middle Power Plant [] is to have a total installed power of 175 MW; the East Power Plant [] is to have a total installed power of 125 MW in 1963. [] 25X1

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3. Raw Coal Supplies:

Initial raw coal supplies are to be furnished by the Bluno open-pit mining enterprise; additional supplies are to be obtained from the brown coal works of the Senftenberg mining districts (Revier) until the new installations at Burghammer, Welzow-Sued, and Nochten are in operation.

4. Briquette Factory:

Since mid-1958, workers were taken off the power plants and briquette factory construction projects for other work. The completion of the projects planned for October 1959 was advanced to August 1959 by an edict of the SED Central Committee. The briquette factory is scheduled to produce 5, - 700,000 tons (sic) of briquettes in 1959. The completion date and the production quota will only be able to be met if changes are made in the feeder service. Either the conveyor belt or the pneumatic conveyor of raw coal will have to be in operating condition by the stated deadline; the Fuller pumps required for the pneumatic conveyor had not yet been procured, as of January 1959. The contract [] was not confirmed until the end of 1958. Delivery will probably not take place until April 1959. The ten briquette presses and the first boiler in the power plant had been installed as of December 1958. The briquette factory will not be able to go into operation, however, until the problem of the water supply and purification has been solved.

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Recent Developments of the "Schwarze Pump" Kombinat

The present manager of the "Schwarze Pump" Kombinat is the Dipl. Ing.

Willi Kühn, SED.

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The Construction Director, Heinz Reger, SED,

Since about the middle of 1958, the working force has been taken away from the speeding up of the constructing and completing of the power stations because of other objectives of the "Schwarze Pump." Because of the resolution of the ZK, the two next-planned objectives for the workers, October 1959, were advanced forward to August. The brikkett factory should still produce in this year 5 to 700,000 tons of brikkett. This date and this amount can only be maintained if the feeder service according to the change be provisionally carried out. So neither the band conveyor nor the pneumatic conveyor of the raw coal, up until the said dateline, has been built so that it is capable of working. The supplying of the necessary Fuller pumps for the pneumatic conveyors has not materialized. Only at the end of the year were they able to settle a delivery contract [redacted] since only at this time the supply appeared ready. The pumps will probably be delivered in April. The installing will bring about particular problems, since through the completion of the factory buildings etc. the transportation of the lifting equipment and the like was almost impossible. The necessary brikkett presses, 10 in number, are already assembled. The first boiler in the power plant should

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have been installed in December. The deadline, however, has been pushed back to April 1959. The putting into operation of the brikkett factory (partly) can furthermore only succeed if the water purifying - as is now provisionally provided for - be only partly completed, in order that first of all the most necessary of all water supply is to be assured.

The working force at the present is: 2000 Kombinat "Schwarze Pump" alone and 14,000 construction and assembly workers from the VEB which is taking the commission. According to the planning already 17,000 to 18,000 assembly workers should have been employed during the year 1958. However, this has not succeeded as they have not fully met the demand. Since in 1959 no improvement in the situation can be expected, one plans for increasing the amount of prison workers from the 1500 at the present to 3,000 or 4000 prisoners. A part of the prisoners are to be brought daily from the Cottbus prison a distance of 30 km. About two months ago at a manager's conference of several representatives of the Directors, it was brought to their attention that one could reduce the labor force by 800 workers if they could succeed in cutting the deficit of worker's hours by 50%. The reasons for this deficit are: poor working organization, sickness, poorly organized transportation - alone through these factors there is an average deficit of 2000 working hours - and the introduction of the "Long Week."

In the third quarter of 1958, the agricultural workers, without it being discussed with them beforehand, were obligated to work through two weeks one after another and even from Monday noon to Friday noon of the next following week including Sundays. Those workers who travelled home were only to go home Friday noon to Monday noon every two weeks. ^{PP} Almost all of the workers did not follow these directions and went home to their families weekly. ^{PP} For cement

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workers there are two tower-type (?) cement mixing machines at hand. One is 25X1
of Czechoslovakian origin [redacted] The
question of replacement parts for the two machines was completely unexplained,
so that because of missing replacement parts about 50% of the time as a rule
the machines were registered as standing still. For the transportation of
cement, a special vehicle is lacking. The truck on hand is moreover con-
stantly subject to breakdowns. The uneven terrain makes for a loss of mixed
cement. When a shipment of cement has separated into parts during the trans-
portation from one place to another, then the total load is simply tipped
out into the ground.

As for the rest, the working continuity suffers, particularly in the
area of construction because of completely badly arranged storage of materials.
For overground and underground buildings, a total of 27 VEB's are employed.
The work is being conceivably carried out in an uncoordinated fashion. In
order to check the shortage, in July 1958 a VEB central construction organi-
zation exclusively for the "Schwarze Pump" was founded which is to see that
the workers of the individual firm agree among one and another. For better
direction furthermore three managing firms for overground, underground, tracks
and street construction are being placed under the VEB central construction
organization. This measure should be already developed in the third quarter;
however, it has run aground as none of the VEB wish to take over the task.
Every manager of the VEB fears by the ~~changing~~ changing into a directing firm.
A complete disorganization, will follow, since the directing firm has to still
carry out the tasks of the "Schwarze Pump." Moreover, the building firms
allow time for payment insofar as it is favorable to the planning development,

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in which - part of the objects are outside of the "Schwarze Pump" and it is to be partly developed from within, when for those in the manufacturing of the materials it would be better to get away from under the direction of the "Schwarze Pump." The largest share of the entire material requirements of the individual VEB is vis-a-vis the delivering firms declared as an object connected together for "the Schwarze Pump."

According to the knowledge of the visitors, the "Schwarze Pump" needs up until and including 1961, 2.5 billion DM's. This sum does not include the surface mining. From 1956 to 1958 inclusively, 700 million DM were to be invested. From the yearly plan sum for 1958 of 380 million, about 350 million has been spent. For 1959 the amount is 400 million DM. In the building materials no noticeable bottlenecks have come about. On the contrary there has been a constant shortage of Monier steel in several sizes, particularly in the large or sections sizes. The steel and Rolling Mill Hennigsdorf has repeatedly been the only one able to deliver steel in the so-called fire-department stock (?)

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16', 18', 22', 28', and 40'.

The assemblage of turbines was retarded by the late availability of the foreign currency.

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Only in December 1958 has the National Planning Commission made free the questionable means - four or five months late. The first turbine should have been assembled in April-May 1959. For the power plant West, four Turbines in total have been provided for, three with a performance of 25 mean water level, one with 50 mean water level. The installation will extend over into 1960. In the Power Plant Middle the 1961-62 turbines with an entire performance of 175 mean water level, in the power plant East in 1963 with an entire performance of 125 mean water level are being installed.

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The surface-mining Co. Bluno, an older surface mining Co., is to take care of the first raw coal requirement. The additional quantities are to be obtained from the brown coal plants of the Senftenberger districts, until the newly opened Burghammer, Welzow-Süd and Nochten are capable of operating. In Burghammer at this time the culverts are being worked on. In Welzow-Süd the prospecting work and in Nochten the surveying work has begun at this time. In Burghammer a transporting machine and an excavating machine are being installed.

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For a long time intended competition has run aground not only because of the opposition of the workers but also from those Directors of the various VEB's. With reference to that, that the project planning has for a long time never legitimately come about, one refuses to organize competition until a running preparation of the project planning follows. The main difficulty in this direction is on the electrical-technical side. The VEB power plant Cottbus makes a claim vis-a-vis the Kombinat of 7 million DM court fines alone, since the "Schwarze Pump" could not prepare at the right time the project plans for any object. While the subordinate firms have contractually tied themselves to the Kombinat, the contractual settlement with the planning and construction

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office Coal-Berlin has been neglected. The business and personal relationships between the Kombinat and the PKB are poor. In order to improve this somewhat, and to induce the PKB to protect the interests of the Kombinat better, for the past few months five engineers of the Kombinat have been delegated to the PKB. Nevertheless, the technical Director of the PKB, Professor Dr. Bilkenroth, at a joint meeting among the Director of the firms he has said almost word for word to the plant director of the Schwarze Pump, Kdhn, that we will please the Kombinat so long as it goes along with the interests of the PKB. In the Soviet Union the objects are only begun if the planning is finished entirely. The managers of the Kombinat have neglected to act in such a rational manner.

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